

AMENDED IN ASSEMBLY SEPTEMBER 7, 2007

AMENDED IN ASSEMBLY AUGUST 30, 2007

AMENDED IN ASSEMBLY JUNE 25, 2007

AMENDED IN SENATE APRIL 19, 2007

AMENDED IN SENATE APRIL 9, 2007

SENATE BILL

No. 697

Introduced by Senator Yee

February 23, 2007

An act to add Sections 12693.55 and 12698.26 to the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

SB 697, as amended, Yee. Health care coverage: provider charges.

Existing law creates the Healthy Families Program and the Access for Infants and Mothers Program that are administered by the Managed Risk Medical Insurance Board. Under existing law, both programs provide health care coverage, as specified, through participating health plans for persons meeting certain eligibility requirements.

This bill would prohibit, as specified, a health care service provider from seeking reimbursement for *covered* services furnished to a person enrolled in the Healthy Families Program or the Access for Infants and Mothers Program from other than the participating health plan covering that person. The bill would also make findings and declarations in that regard.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) The Healthy Families Program (program) provides health
4 care coverage for uninsured children in families with incomes up
5 to 250 percent of the federal poverty level who are not eligible for
6 no-cost Medi-Cal.

7 (b) The program has reduced the rate of uninsured, low-income
8 children in California by 28.7 percent between 1997 and 2005.

9 (c) The program provides 760,000 children with access to
10 affordable health care coverage.

11 (d) The program provides access to health care for the state's
12 chronically underserved and uninsured children who ~~would~~ *might*
13 otherwise have ~~no means to obtain~~ *difficulty obtaining* vital and
14 basic health care services.

15 (e) In addition to receiving reimbursement from the state through
16 contract managed care plans for services provided to enrollees of
17 the program, ~~many~~ *some* health care providers seek additional
18 compensation by inappropriately billing patients of the program
19 directly for additional payments.

20 (f) Some health care providers seek reimbursement in amounts
21 in excess of 1,000 percent of what Medi-Cal reimburses for the
22 same services.

23 (g) Enrollees of the program with limited economic means
24 should not be subjected to aggressive billing practices from
25 overbilling providers who accept reimbursement from the program
26 and then seek an additional double payment by billing unsuspecting
27 enrollees for services previously compensated by the state's
28 taxpayers.

29 (h) Enrollees of the program already pay a monthly premium
30 to be enrolled in the program and are not obligated to pay these
31 excessive and improper double billings.

32 (i) Enrollees of the program, including many with language
33 barriers and those who are low income, should not be subjected
34 to aggressive collection tactics, threats to their credit, and other
35 improper and coercive billing practices designed to intimidate
36 them into making excessive payments they are not obligated to
37 make.

1 (j) The practice of balance billing Medicare and Medi-Cal
2 enrollees is explicitly prohibited under existing federal and state
3 law.

4 SEC. 2. Section 12693.55 is added to the Insurance Code, to
5 read:

6 12693.55. (a) A health care provider who is furnished
7 documentation of a person's enrollment in the program shall not
8 seek reimbursement nor attempt to obtain payment for any *covered*
9 services provided to that person other than from the participating
10 health plan covering that person.

11 (b) The provisions of subdivision (a) do not apply to any
12 copayments or deductibles required for the *covered* services
13 provided to the person under his or her participating health plan.

14 SEC. 3. Section 12698.26 is added to the Insurance Code, to
15 read:

16 12698.26. (a) A health care provider who is furnished
17 documentation of a subscriber's enrollment in the program shall
18 not seek reimbursement nor attempt to obtain payment for any
19 *covered* services provided to that subscriber other than from the
20 participating health plan covering the subscriber.

21 (b) The provisions of subdivision (a) do not apply to any
22 copayments or deductibles required for the *covered* services
23 provided to the subscriber under his or her participating health
24 plan.